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10 January 1969

MEMORANDUM FOR THE RECORD

SUBJECT: OSR Military Costing Review Board (MCRB) Meeting

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1. On 6 December the MCRB met and was briefed by [redacted] on the current efforts and future plans of the Technical Resources Branch (PA/T) of OSR in costing Soviet R&D activity. [redacted]

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[redacted] discussed the nature of PA/T's present estimates of Soviet R&D expenditures and how these estimates are derived from published Soviet budget data. He also pointed out that these estimates were not accepted with overwhelming confidence by other members of the intelligence community or by DoD, and that he feels the number one priority of PA/T is to attempt to either verify the level and trend of these estimates or to develop a new set of data of better credibility. Approaches include: (a) developing independent estimates of R&D unrelated to budget announcements, (b) developing new divisions of total R&D expenditures among civil R&D, space, and military RDT&E, and (c) within both the space and military R&D estimates to further divide these into expenditures by missions and even specific weapons systems.

3. A first attempt at deriving an independent military R&D estimate by applying the ratio of R&D to procurement spending using US experience is currently underway in PA/T. Preliminary results from this methodology are encouraging, but considerable refinement of the technique is required and PA/T intends to call upon the individual forces branches in OSR for technical support in this effort.

4. PA/T is also attempting to refine the overall military R&D estimate that results from summing the R&D estimates of the individual forces branches for their categories of weapons plus

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PA/T's estimate of non-weapon related military R&D expenditures. This methodology also may be useful with more work by PA/T, but at present the results do not appear too satisfactory.

5. The community-wide effort to develop a Working Inventory of Research Organizations (WIRDO) centered in FTD and supported by DIA, NSA, NPIC, and CIA was also discussed. This effort to pull together all of the data on the 2500 Soviet R&D establishments into one computer-stored holding has some long-run promise of contributing to an estimate of total R&D manpower and possibly expenditures, perhaps by military mission. Any useful results, however, are at least a year or more away.

6. Finally, PA/T is attempting to develop some correlations between a number of Soviet published statistical series -- numbers of scientific workers, volume of scientific publications, numbers of patents applied for and issued, and investment data -- and Soviet expenditures for R&D. It is also hoped this approach may shed some light on the relative efficiency of Soviet R&D efforts as compared with the US. This area again looks promising but will require additional work.




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